

AGREEMENT

This agreement ("Agreement") is made as of the 1st day of November, 1991, by and between Philip Morris Incorporated, a Virginia corporation with executive offices located at 120 Park Avenue, New York, New York 10017 ("PM USA") and MacNamera, Clapp & Klein, Inc. located at 150 Fifth Avenue, New York, New York, 10011 ("Contractor"), pursuant to which Contractor will perform services, which will include the following, for PM USA under the terms and conditions stated.

1. Services

Contractor will refine advertising campaigns developed in connection with PM USA's Parliament Menthol brand, according to PM USA marketing objectives.

Contractor will be available to meet at reasonable times with PM USA representatives at PM USA headquarters in New York or other locations designated by PM USA. Contractor will perform in a professional manner throughout the term of the Agreement.

2. Payment

In full and complete consideration for the services rendered by Contractor during the term of the Agreement, PM USA will pay Contractor \$50,000. PM USA will pay Contractor \$25,000 within 15 days of the complete execution of the Agreement and submission of an itemized invoice and \$25,000 upon Contractor's

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submission of an itemized invoice and complete performance to the reasonable satisfaction of PM USA. Total payments to Contractor by PM USA for professional services during the term of the Agreement will not exceed \$50,000.

3. Expenses

PM USA will reimburse Contractor for all reasonable expenses actually incurred in providing services within 30 days of PM USA's receipt of a detailed monthly invoice for the expenses incurred. All expenses of twenty-five dollars or more must be submitted with receipts. Expenses that exceed \$250 must be approved in advance by an authorized representative of PM USA. Total expenses are not to exceed \$15,000 throughout the term of the Agreement without the prior written approval of PM USA.

4. Term and Termination

The term of the Agreement will commence upon the date first written above and will continue until December 13, 1991. Either party may terminate the Agreement, with or without cause, on thirty days advance written notice to the other party. If PM USA terminates the Agreement, PM USA will have no liability or payment obligation to Contractor after the effective date of the notice of termination, with the exception of payment obligations incurred prior to termination.

5. Records

Contractor, its employees and agents will maintain detailed and accurate books and records of account with respect to activities undertaken on behalf of PM USA. Records of disbursements must indicate the check number, dollar amount, identity of the payee and reason for the expenditure. Contractor will provide periodic reports as and when requested by PM USA and a final accounting within 30 days of completion of all services. The final accounting must include an itemization of all expenses incurred and must be certified by an appropriate corporate officer of Contractor. At the request of PM USA, PM USA or its designated agent may inspect, review and copy Contractor's books and records at reasonable times during normal business hours upon reasonable, advance notice to Contractor and at the expense of PM USA.

6. Ownership

All material prepared or developed by Contractor in connection with the Agreement will become the property of PM USA and Contractor hereby agrees to assign to PM USA any and all copyrights in and other rights to the material. Contractor will not use or disclose the material to third parties without the consent of an authorized representative of PM USA to whom the materials must be submitted in advance of Contractor's use or disclosure. Any disclosure must be accompanied by an appropriate application of a notice of PM USA's copyright interest. Contractor will not engage or permit the creation of any

copyrightable material for PM USA by any person who is not a regular full time employee whose work is performed on Contractor's business premises unless that person agrees to execute an assignment to PM USA of any and all copyrights in the material created in a form acceptable to PM USA. Upon the acceptance by PM USA of any copyrightable material prepared by Contractor, Contractor, at the request of PM USA will assign all of its right, title and interest in the material to PM USA and will execute an assignment in a form acceptable to PM USA. Contractor will obtain all releases necessary to the proper performance of the Agreement.

7. Confidentiality

Contractor, its employees and agents will hold strictly confidential all information and materials provided by PM USA to Contractor or created by Contractor in performing the Agreement. The information and material will remain the property of PM USA. Contractor will not use or disclose the information and materials to third parties without the written consent of an authorized representative of PM USA. Upon termination or expiration of the Agreement, or within thirty days thereafter, Contractor will return all materials to PM USA. Contractor's obligation to maintain the confidentiality of all information obtained from PM USA in connection with the Contractor's performance under the Agreement will survive the termination of the Agreement.

8. Third Party Contacts

If at any time Contractor is contacted by a third party, including the media, concerning its activities on behalf of PM USA, Contractor will make no comment, immediately notify PM USA of the third party contact, and refer the third party to PM USA, Vice President, Corporate Affairs.

9. Indemnity

Contractor indemnifies and holds harmless PM USA, its affiliates and their officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from, or may be attributable to errors, omissions or fault of Contractor, and which are not caused by PM USA. Contractor's obligation to indemnify and hold harmless will survive the termination of the Agreement.

10. Insurance

Within ten days of execution of the Agreement, Contractor will deliver to PM USA certificates of insurance evidencing coverage for comprehensive general liability, including advertiser and contractual liability, with limits of no less than 5 Million Dollars combined single limit for personal injury and property damage; statutory worker's compensation coverage meeting all state and local requirements; and employer's liability with limits of no less than 500,000 dollars. The comprehensive general

liability insurance certificate must name PM USA (as "Philip Morris Incorporated"), its affiliates, employees and assigns as additional insureds and must state that PM USA will be provided at least thirty days advance, written notice of a cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other PM USA insurance. Insurance maintained by PM USA is for the exclusive benefit of PM USA and will not inure to the benefit of Contractor.

11. Independent Contractor

Contractor is an independent contractor and the Agreement shall not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between PM USA and Contractor or Contractor's agents within the meaning of any federal, state or local law. Contractor will not enter into any agreement, oral or written, on behalf of PM USA or otherwise obligate PM USA without PM USA's advance written approval.

12. Exclusivity

During the term of the Agreement, and for six months thereafter, Contractor will not, without the prior consent of PM USA, engage in creative consulting or similar activities for any company or entity whose business competes with any tobacco product of PM USA, or the interests of which are adverse to those of PM USA.

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13. Miscellaneous

(a) The Agreement and all matters collateral hereto, shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York.

(b) Contractor must comply with all applicable laws, regulations, and ordinances relating to its performance of the agreement. Contractor acknowledges that it is cognizant of the provisions of Title 15, Section 1331, et seq. of the United States Code.

(c) This Agreement is the complete agreement between the parties and supersedes any prior oral or written agreement concerning the subject matter.

(d) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(e) The Agreement may not be amended or assigned except in a writing signed by both parties. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities and obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties. A waiver by either party of any of the terms and conditions of the Agreement in one or more instances will not constitute a permanent waiver of the terms and conditions.

(f) Notices provided shall be in writing and sent by certified mail, return receipt requested. Notices to Contractor will be sent to 150 Fifth Avenue, New York, New York 10011,

Attention: Mr. Frank MacNamera. Notices to PM USA will be sent to
Philip Morris U.S.A., 120 Park Avenue, New York, New York 10017,
Attention: Vice President, Brand Management.

MACNAMERA, CLAPP & KLEIN, INC.

By: [Signature]

Title: CEC

Taxpayer ID#

13 309 7516

Filing Status:

Corp

PHILIP MORRIS INCORPORATED

By: [Signature]

Title: Sr. VP Marketing

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